

FREIGHTCAR AMERICA, INC.

INSIDER TRADING POLICY

Effective May 1, 2010

Insider trading involves the purchase or sale of securities of a company while in possession of material, nonpublic information, also referred to as “inside information,” about the company. This Insider Trading Policy applies to you as well as to members of your family, any person that is your economic dependent and any person or entity over which you have control. Family members include a spouse, parent, child or brother or sister and anyone else with whom you share a household.

Information is considered to be “material” if (1) a reasonable investor would consider it important in making a decision on whether to buy, sell or hold a company's securities or (2) a reasonable investor would view the information as significantly altering the total mix of information in the marketplace about the issuer of the security. Information is considered “nonpublic” if the information has not been broadly disseminated to the public for a sufficient period to be reflected in the price of the security. Examples of material, nonpublic information are a potential business acquisition or sale, earnings and other financial information about the company, important product developments, significant purchase or sale of assets, major litigation, new debt or equity offerings by the company and significant changes in company management. You should consult the General Counsel with any questions about insider trading, including whether information is “inside information” or “material.”

The Company authorizes only certain employees and agents of the Company to make disclosures of material, nonpublic information about the Company. Unless you are authorized to do so by senior management, you should refrain from discussing material, nonpublic information with anyone not subject to this policy. Please refer any questions about our corporate disclosure policy to the General Counsel.

Rules Applicable to all Directors, Officers and Employees

1. You are required to comply with all laws applicable to the trading of Company securities.
2. You may not buy or sell Company securities at any time that you possess inside information relating to the Company.
3. You may not buy or sell securities of any other company, including current and prospective customers or suppliers of the Company, if at the time you possess inside information relating to that company, including any information that you have obtained during the course of your employment with the Company. For example, you may possess nonpublic information that the Company expects to purchase a substantial amount of stock in another company. Even though the amount of the transaction may be immaterial to the Company, it may be material to the other company.

4. You may not directly or indirectly (i) engage in disclosing, or “tipping,” inside information relating to the Company to anyone or (ii) communicate inside information relating to the Company to anyone outside the Company unless such communication is appropriate under the circumstances and has been properly authorized, and unless the person receiving the information has agreed, in writing if appropriate, to keep such information confidential.
5. If you become aware of material information about the Company or any other company which has been available to the public for less than two (2) full trading days, you may not (a) use that information for stock trading purposes or for any other purpose except for use in the regular conduct of the Company’s business, (b) directly or indirectly disclose such information to any other persons (including family members or friends), or (c) recommend or suggest that anyone else buy, sell or retain securities of the Company or such other company.
6. You are responsible for ensuring that you are in compliance with this Insider Trading Policy before engaging in any transaction involving Company securities.
7. You are strongly discouraged from engaging in short sales of Company securities, and from buying or selling put options, call options or other derivatives of Company securities.

Special Rules Applicable to Directors, Officers of the Company who are subject to Section 16 of the Securities Exchange Act of 1934, and certain other employees that may be designated from time to time by the Company’s General Counsel (“Insiders”).

In addition to the restrictions applicable to all employees set forth above, Insiders shall not purchase or sell any Company securities, except:

1. after first consulting and pre-clearing such transaction with the General Counsel, and
2. only during the period commencing at the opening of the second full trading day after an earnings press release with respect to the preceding fiscal quarter and ending the last business day of the second month of the fiscal quarter in which the earnings are released (the “Window Period”). Insiders shall not engage in short sales of Company securities, or buy or sell put options, call options, or other derivatives of Company securities.

Immediately following completion of any securities transaction, Insiders must notify the General Counsel of the date, quantity, price and nature of the transaction. If, after obtaining approval, the Insider does not trade in the Company’s securities within two business days thereafter, the Insider must again pre-clear such transaction with the General Counsel before the Company’s securities may be traded.

From time to time, Insiders may also be advised that no trading will be permitted until further notice.

Special Rules Applicable to Officers of the Company not subject to Section 16 of the 1934 Act, all assistants and secretaries of Insiders, and certain other employees that may be designated from time to time by the Company's General Counsel ("Restricted Employees").

In addition to the restrictions applicable to all employees set forth above, Restricted Employees shall not purchase or sell any Company securities except during a Window Period. Restricted Employees are encouraged to consult with the General Counsel prior to trading.

Restricted Employees shall not engage in short sales of Company securities, or buy or sell put options, call options, or other derivatives of Company securities. Exceptions to this Policy may be made only with prior written approval of the General Counsel and may be conditioned as he or she deems advisable.

Penalties for Non-Compliance

Violation of the insider trading laws may lead to imprisonment for up to 20 years, criminal fines of up to \$5 million and penalties of up to three times the profits gained. Failure to comply with this policy may also result in termination of employment.

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